

## **EXHIBIT 26**

[Page 1]

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNIVERSITAS EDUCATION, LLC,

Plaintiff, Civil Action Nos.

vs. 11-1590-LTS-HBP

NOVA GROUP, INC., as 11-8726-LTS

Trustee, Sponsor and Fiduciary

of the CHARTER OAK TRUST

WELFARE BENEFIT PLAN,

Defendant.  
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DEPOSITION OF DONALD TRUDEAU

Wednesday, February 6, 2013

10:00 a.m.

Reported by:

Joan Ferrara

1 D. Trudeau

2 Q. Do you recall the carrier who  
3 issued the policy?

4 A. I don't, but again, there are  
5 only two transactions, I believe, in the  
6 trust, and there was a Second-To-Die  
7 policy. I don't recall. Sorry.

8 Q. Okay.

9 Let's go back to your employment.  
10 You testified you're currently employed by  
11 BASI.

12 What is your position at BASI?

13 A. I'm the president.

14 Q. And for how long have you served  
15 as president?

16 A. More than 10 years.

17 Q. Do you recall the year that you  
18 were initially appointed president of BASI?

19 A. I believe it was around 2001.

20 Q. Do you have any ownership  
21 interest in BASI?

22 A. I have an indirect ownership  
23 interest in BASI, yes.

24 Q. What are your current duties and  
25 responsibilities as president of BASI?

1 D. Trudeau

2 A. My day-to-day duties are  
3 principally in the business development  
4 area. We have two sectors of business; one  
5 sector of the business is sort of a  
6 diminishing sector, a diminishing component  
7 of our business. That segment provided  
8 administrative services and support to  
9 welfare benefit plans that had third-party  
10 sponsors principally funded on an informal  
11 basis with permanent life insurance.

12 Then the bigger segment of our  
13 business is more of a traditional  
14 third-party administrator, TBA business in  
15 the healthcare sector, and specifically we  
16 provide retiree healthcare outsourcing.

17 So, for example, if you retired  
18 from a law firm or a municipality, we  
19 provide support services for the healthcare  
20 component as opposed to 401(k) or something  
21 like that.

22 Q. Approximately how many employees  
23 does BASI currently employ?

24 A. Round numbers, about 70.

25 Q. And I think you said your office

1 D. Trudeau

2 that's now been acquired by MetLife.

3 Q. Other than your interest in the  
4 ESOP that owns BASI, do you have an  
5 interest, an ownership interest in any  
6 other company?

7 A. I do.

8 Q. Okay.

9 Which companies?

10 A. What period of time?

11 Q. The period of time -- well, let's  
12 start with currently.

13 A. I'm an owner, fractional owner in  
14 a company called Trek Holdings.

15 Q. T-R-E-K?

16 A. Uh-huh.

17 Q. Do you currently have an  
18 ownership interest in any other company?

19 A. I am a fractional owner in a  
20 company called Loge Group, which is  
21 currently a non-functioning company.

22 I have a fractional interest in a  
23 company called Avon Capital.

24 I have an interest in a company  
25 called Benefits Advisors, Benefit Advisory

1 D. Trudeau

2 A. CBCA Administrators.

3 Q. CBCA Administrators?

4 A. Correct.

5 Q. And CBCA Administrators is out of  
6 business?

7 A. It is out of business, yes.

8 Q. When did it go out of business?

9 A. 2011, I think, the last assets.

10 Q. And did Mr. Carpenter have any  
11 dealings with Loge Group or CBCA  
12 Administrators?

13 A. No.

14 Q. None whatsoever?

15 A. I mean, he didn't do any business  
16 with it, as far as I know. Did we talk  
17 about it? Probably did. Didn't have any  
18 ownership, that sort of thing, so...

19 Q. And I think the next entity you  
20 listed was Avon Capital?

21 A. Uh-huh.

22 Q. Is that a limited liability  
23 company?

24 A. It is.

25 Q. And what ownership interest do

[Page 40]

1 D. Trudeau

2 you have in that entity?

3 A. The entity I have most of, I  
4 basically control the whole entity.

5 Q. And when was Avon Capital, LLC  
6 formed?

7 A. It was formed, I believe, in  
8 2010.

9 Q. Who formed that entity for you?

10 A. I formed it. I basically  
11 re-formed it. It was a, not defunct, but  
12 it wasn't doing anything, and I basically  
13 put some spit polish on it, reincorporated  
14 it.

15 Q. Well, tell me what you did to  
16 reincorporate it. Just describe to me the  
17 spit polish.

18 A. You know, it hadn't paid the  
19 licensing fee and the incorporation,  
20 whatever it was. So the state had made it  
21 dormant. So I paid the fees and had it  
22 reincorporated.

23 Q. So Avon Capital, LLC was an  
24 existing corporation that had become  
25 dormant in 2010?

1 D. Trudeau

2 A. Right.

3 Q. Correct?

4 A. Correct.

5 Q. Okay.

6 How did you learn about Avon  
7 Capital, LLC?

8 A. How did I learn about it?

9 Q. Yeah, that it was dormant.

10 A. Well, there was another Avon  
11 Capital, LLC, there were two of them at  
12 least, one of which had been formed to do  
13 transactions with Avon Insurance Trust that  
14 you referenced earlier, and had actually  
15 done a couple of transactions.

16 Either before or around the same  
17 time, there was a separate basically shell  
18 formed, and I don't know what the intent is  
19 or whatever, but at the same time, I mean,  
20 that was formed and it didn't do anything,  
21 and I liked the name and suggested it would  
22 be a reasonable thing to use and take over  
23 rather than forming something new and  
24 completely different.

25 Q. Okay.



1 D. Trudeau

2 So the Avon Capital, LLC that was  
3 involved in the two transactions that you  
4 described earlier, one involving a Canadian  
5 citizen and the second involving a  
6 Second-To-Die policy, do you recall that  
7 testimony?

8 A. Yes.

9 Q. The Avon Capital, LLC that was  
10 involved in those two transactions, where  
11 was that entity incorporated?

12 A. I'm sorry, which one do you want?

13 Q. You testified earlier today about  
14 an Avon Capital, LLC, correct?

15 A. The one that was a sponsor of the  
16 Avon Insurance Trust was a Connecticut  
17 corporation.

18 Q. And who formed that Connecticut  
19 corporation?

20 A. I believe it was formed, I  
21 believe it was formed either by or at the  
22 direction of Jack Robinson. So it may have  
23 been like Halloran & Sage did the formation  
24 stuff for it or something, but I believe  
25 that's how it came into existence.